

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-20435A
Sonoita Valley Water Company
P.O. Box 85160
Tucson, AZ 85754

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

ANN 04	10
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3-7-11

COMPANY INFORMATION

Company Name (Business Name) <u>Sonoita Valley Water Company</u>		
Mailing Address <u>P.O. Box 85160</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85754</u> (Zip)
<u>520-623-5172</u> Telephone No. (Include Area Code)	<u>520-792-0377</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>Same as above</u>		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

<input type="checkbox"/> Management Contact: <u>Southwestern Utility Management, Inc.</u>		
 (Name)	 (Title)	
<u>P.O. Box 85160</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)
<u>520-623-5172</u> Telephone No. (Include Area Code)	<u>520-792-0377</u> Fax No. (Include Area Code)	<u>85754</u> (Zip) Cell No. (Include Area Code)
Email Address _____		
On Site Manager: <u>Keith Dojaquez</u>		
 (Name)	 (Title)	
<u>2102 N. Forbes Blvd #107</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)
<u>520-623-5172</u> Telephone No. (Include Area Code)	<u>520-792-0377</u> Fax No. (Include Area Code)	<u>85745</u> (Zip) Cell No. (Include Area Code)
Email Address _____		

Statutory Agent: Ezra H. Lewis

(Name)

2102 N. Forbes Blvd., #107

(Street)

Tucson

(City)

AZ

(State)

85745

(Zip)

520-623-5172

Telephone No. (Include Area Code)

520-792-0377

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☒ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☒ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	199	---	199
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	6261	1045	5216
307	Wells and Springs	58024	16061	41963
311	Pumping Equipment	90289	25286	65003
320	Water Treatment Equipment	4821	615	4206
330	Distribution Reservoirs and Standpipes	28686	8778	19908
331	Transmission and Distribution Mains	143652	85521	58131
333	Services	4606	3294	1312
334	Meters and Meter Installations	8180	2485	5695
335	Hydrants			
336	Backflow Prevention Devices	77	5	72
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	344795	143090	201705

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	199	---	---
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	6261	3.33	180
307	Wells and Springs	58024	3.33	1445
311	Pumping Equipment	90289	12.5	9286
320	Water Treatment Equipment	4821	3.33	145
330	Distribution Reservoirs and Standpipes	28686	2.22	452
331	Transmission and Distribution Mains	143652	2.00	1186
333	Services	4606	3.33	45
334	Meters and Meter Installations	8180	8.33	517
335	Hydrants			
336	Backflow Prevention Devices	77	6.67	5
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	344795		13261

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	1004	5414
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	1936	6959
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	2940	12373
	FIXED ASSETS		
101	Utility Plant in Service	244852	344795
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(117188)	(143090)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	127664	201705
	TOTAL ASSETS	130604	214078

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	10659	27653
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	145499	244300
235	Customer Deposits	2319	2996
236	Accrued Taxes	109	382
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	158586	275331
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	5200	5200
272	Less: Amortization of Contributions	(3900)	(4160)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	1300	1040
	TOTAL LIABILITIES	159886	276371
	CAPITAL ACCOUNTS		
201	Common Stock Issued	1000	1000
211	Paid in Capital in Excess of Par Value	39900	65000
215	Retained Earnings	(70182)	(128293)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	(29282)	(62293)
	TOTAL LIABILITIES AND CAPITAL	130604	214078

1/1/10 Capital	(29282)
Capital from Southern Water Corporation	(12670)
Loss for 2010	(20341)
12/31/10 Capital	(62293)

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	24803	65905
460	Unmetered Water Revenue		
474	Other Water Revenues	60	777
	TOTAL REVENUES	24863	66682
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Power	3832	6248
618	Chemicals	909	1511
620	Repairs and Maintenance	4010	3235
621	Office Supplies and Expense	438	1070
630	Outside Services	18735	36212
635	Water Testing	1358	2785
641	Rents		
650	Transportation Expenses	7816	5965
657	Insurance – General Liability	1549	1771
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	605	11663
675	Miscellaneous Expense		277
403	Depreciation Expense	6449	13001
408	Taxes Other Than Income		
408.11	Property Taxes	670	3285
409	Income Tax		
	TOTAL OPERATING EXPENSES	46371	87023
	OPERATING INCOME/(LOSS)	(21508)	(20341)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income		
421	Non-Utility Income	18	---
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(24)	---
	TOTAL OTHER INCOME/(EXPENSE)	(6)	---
	NET INCOME/(LOSS)	(21514)	(20341)

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 1811.50

Meter Deposits Refunded During the Test Year \$ 237.50

COMPANY NAME Sonoita Valley Water Company	
Name of System: South System	ADEQ Public Water System Number: 12-005

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-633050	2	10	202	6	5/8	N/A
55-214359	7.5	35	830	6	5/8	2007
55-620789	5	25	500	8	2	N/A

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	3	3000	1
		85	4

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Sonoita Valley Water Company		
Name of System: South System	ADEQ Public Water System Number: 12-005	

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	12,180
3	PVC	5,838
4	PVC	13,351
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	76
3/4	
1	1
1 1/2	1
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Two Chlorinators

STRUCTURES:

250' of 6' Chain Link Fence and 15' x 15' fenced site

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Sonoita Valley Water Company	
Name of System: North System	ADEQ Public Water System Number: 12-308

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-620783	7.5	25	500	8	2	N/A

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1	85	4

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Sonoita Valley Water Company	
Name of System: North System	ADEQ Public Water System Number: 12-308

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3	PVC	2,250
4		
5		
6		
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X ¾	18
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

One Chlorinator _____

STRUCTURES:

50' x 30' Chain Link Fence _____

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Sonoita Valley Water Company	
Name of System: South System	ADEQ Public Water System Number: 12-005

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	69	292	333	
FEBRUARY	70	241	347	
MARCH	70	203	338	
APRIL	70	377	548	
MAY	70	448	396	
JUNE	70	548	498	
JULY	71	566	713	
AUGUST	69	322	411	
SEPTEMBER	70	486	689	
OCTOBER	70	309	375	
NOVEMBER	71	359	476	
DECEMBER	71	243	472	
TOTALS →		4394	5596	

What is the level of arsenic for each well on your system? 0.003 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? ____ GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
(x) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (x) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Sonoita Valley Water Company	
Name of System: North System	ADEQ Public Water System Number: 12-308

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	17	104	165	
FEBRUARY	17	87	97	
MARCH	17	73	81	
APRIL	17	117	129	
MAY	17	156	167	
JUNE	17	179	203	
JULY	18	167	184	
AUGUST	18	133	141	
SEPTEMBER	18	125	147	
OCTOBER	18	92	55	
NOVEMBER	18	119	134	
DECEMBER	18	87	75	
TOTALS →		1439	1578	

What is the level of arsenic for each well on your system? 0.0038 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? ____ GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

☒ Yes ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Sonoita Valley Water Company		
Name of System:	South System	ADEQ Public Water System Number: 12-005

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		0	
FEBRUARY		0	
MARCH		0	
APRIL		0	
MAY		0	
JUNE		0	
JULY		0	
AUGUST		0	
SEPTEMBER		1	
OCTOBER		0	
NOVEMBER		0	
DECEMBER		0	
TOTALS →		1	

OTHER (description):

COMPANY NAME: Sonoita Valley Water Company		
Name of System:	North System	ADEQ Public Water System Number: 12-308

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		0	
FEBRUARY		0	
MARCH		0	
APRIL		0	
MAY		0	
JUNE		0	
JULY		0	
AUGUST		0	
SEPTEMBER		0	
OCTOBER		0	
NOVEMBER		0	
DECEMBER		0	
TOTALS →		0	

OTHER (description):

COMPANY NAME Sonoita Valley Water Company YEAR ENDING 12/31/2010

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 3285.27

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME) PIMA
NAME (OWNER OR OFFICIAL) TITLE BONNIE O'CONNOR, MANAGER
COMPANY NAME SONOITA VALLEY WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

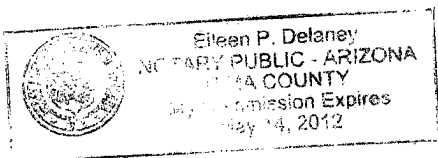
MONTH	DAY	YEAR
12	31	2010


HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.




SIGNATURE OF OWNER OR OFFICIAL
520-623-5172
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

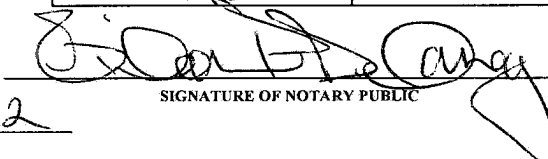
THIS

430

DAY OF

COUNTY NAME PIMA	
MONTH MARCH	2011

(SEAL)


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES May 14, 2012

COMPANY NAME Sonoita Valley Water Company YEAR ENDING 12/31/2010

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported S-Corporation
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported S-Corporation
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

3/3/11
DATE

Bonnie O'Connor
PRINTED NAME

Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) PIMA
NAME (OWNER OR OFFICIAL) TITLE BONNIE O'CONNOR, MANAGER
COMPANY NAME SONOITA VALLEY WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)


\$ 71639

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 4957

IN SALES TAXES BILLED, OR COLLECTED)

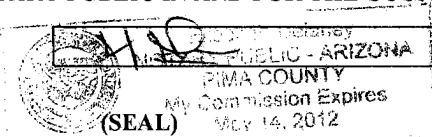
****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
520-623-5172
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

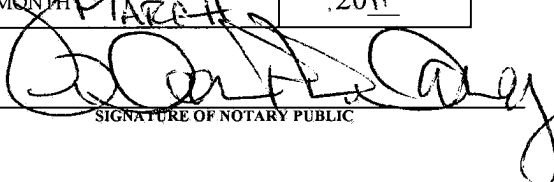
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

COUNTY NAME PIMA
MONTH MARCH
YEAR 2011


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

May 14, 2012

See Accountants' Report

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) PIMA
NAME (OWNER OR OFFICIAL) TITLE BONNIE O'CONNOR, MANAGER
COMPANY NAME SONOITA VALLEY WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 57565

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 3929

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

520-623-5172
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

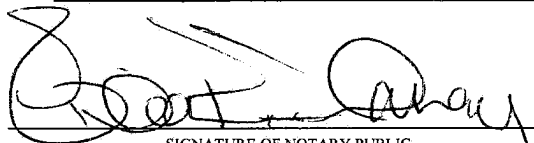
4~~10~~

DAY OF

(SEAL)

MY COMMISSION EXPIRES

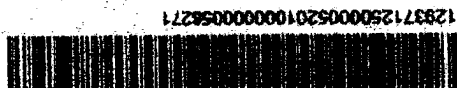
NOTARY PUBLIC NAME Robert P. Delaney	
COUNTY NAME PIMA	
MONTH MARCH	.2011


SIGNATURE OF NOTARY PUBLIC

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS

2010 937125000 2 000000054271000000116542

**PLEASE CHECK
YOUR RECORDS
DELINQUENT
TAXES DUE**



1293712500005201000000054271

Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

If your mortgage company makes your property
tax payments, consider this notice as a courtesy
copy for your records only.

Delinquency Date: Second Half Payment
Penalty for late payment is 16% per year
prorated monthly as of the 1st day of the
month for payments postmarked after
May 2, 2011 at \$400 per
(ARS 42-18052 and ARS 42-18053)

582.71

TO PAY AND MAIL

Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

Due March 1, 2011
SOUTHERN WATER CORPORATION
Parcel Number 937-12-500 5 Roll Number 0042938

DETACH AND RETURN WITH PAYMENT

Make check payable to: Payment in U.S. FUNDS ONLY

2010 SECOND HALF CALENDAR YEAR TAX NOTICE

PARCEL #	2500	9.8099	0.8843	0.0000	PROPERTY TAX	1,153.66
937-12-500 5						
	VALUE IN DOLLARS	ASSESSMENT	EXEMPTIONS	TAX RATE	TAX	NET STATE AND LOCAL TAX
UNITED LAND & DGS CO		0.0			.00	0.00
UNITED PERSONAL PROPERTY	56,000	21.0	11,760	9.8099	1,153.66	1,153.66
UNITED TOTALS	56,000		11,760		1,153.66	
FULL CASH LAND		0.0			.00	11.76
FULL CASH BUILDINGS, ETC		0.0			.00	0.00
FULL CASH PERSONAL PROPERTY	56,000	21.0	11,760	0.1000	11.76	
FULL CASH TOTALS	56,000		11,760		11.76	
						TOTAL TAX DUE
						1,165.42

0042938

SITUS ADDRESS:

LEGAL DESCRIPTION

02000 SANTA CRUZ COUNTY
02001 STATE SCHOOL TAX EQU
05025 SONOITA SD #25
06102 PATAGONIA DHS
08150 SCC COMMUNITY COLLEG
11900 FIRE DISTRICT ASSIST

2010 TAXES
312.15
35.64
529.69
232.98
0.00
10.76
1331.82
41.91
548.09
253.62
8.22
11.76

This is the only notice you will receive.

Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

**THIS IS A
CALENDAR YEAR
TAX NOTICE**

937-12-500 5

100923 12 R E0002 00732



SOUTHERN WATER CORPORATION
EZRA H LEWIS
2102 N FORBES, #107
TUCSON, AZ 857450000

TOTALS 1,121.24 1,165.42

PAYMENT INSTRUCTIONS

To pay the 1st half installment and full year tax notices of \$100
or less, send the 1st half coupon with your payment postmarked
no later than Nov 1, 2010. To pay 2nd half installment, send
the 2nd half coupon with your payment postmarked no later than
May 2, 2011. To pay taxes for the full year if the entire amount
billed exceeds \$100, send the 1st half coupon with your
payment postmarked no later than Jan. 3, 2011, and no interest
will be charged for the current year.

Make your check payable to and mail to:
Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS

10:56 AM

02/11/11

Sonoita Valley Water Company
Bill Payments for Caesar A. Ramirez, County Treasurer
January through December 2010

Type	Num	Date	Amount
Jan - Dec 10			
Bill Pmt -Check	507	10/6/2010	582.71
Bill Pmt -Check	508	10/6/2010	322.57
Bill Pmt -Check	443	3/15/2010	320.35
Jan - Dec 10			<u>1,225.63</u>

2010 FIRST HALF PAYMENT COUPON

Due October 1, 2010

SONOITA VALLEY WATER COMPANY

Parcel Number: 919-52-500 9 Roll Number: 0042935

Delinquency Date: First Half Payment
 If a full year payment is 16% per year
 until the 1st day of the
 month for payments postmarked after
November 1, 2010 at 5:00 PM
 (ARS 42-18052 and ARS 42-18053)

Any full property tax notice of \$100 or less must
 be paid using the first payment coupon.
 If later than November 1, 2010 at 5:00 PM

Any full year payment for billed amounts over
 \$100.00 in 2010 and no interest will be
 charged for the year. Mail full year payment with

If your mortgage company makes your property
 tax payments, consider this notice as a courtesy
 copy for your records only.



Caesar Ramirez
 Santa Cruz County Treasurer
 PO Box 1150
 Nogales, AZ 85628

Caesar Ramirez
 Santa Cruz County Treasurer
 PO Box 1150
 Nogales, AZ 85628

TO PAY 1st HALF ONLY PAY ▶ 322.57
 TO PAY FULL YEAR TAX PAY ▶ 645.14



1291952500009201000000032257

**PLEASE CHECK
 YOUR RECORDS**

**DELINQUENT
 TAXES DUE**

2010 9195250000 1 000000032257000000064514

0508

SONOITA VALLEY WATER CO.

P.O. BOX 85160
 TUCSON, AZ 85754
 (520) 625-5171

Wells Fargo Bank, N.A.
 Tucson, AZ 85745

91-527-1221

Caesar A. Ramirez, County Treasurer

\$ 322.57

Three Hundred Twenty-Two and 57/100

DOLLARS

Caesar A. Ramirez
 County Treasurer
 P.O. Box 250
 Nogales, AZ 85628

AUTHORIZED SIGNATURE

Parcel# 919-52-500 9

⑈000508⑈ ⑆122105278⑆5306074195⑈

SONOITA VALLEY WATER CO.

0508

Caesar A. Ramirez, County Treasurer

10/6/2010

Date	Type	Reference	Original Amt	Balance Due	Discount	Payment
10/6/2010	B	919-52-500 9 1st	322.57	322.57		322.57
					Check Amount	322.57

Wells Fargo Bank

Parcel# 919-52-500 9

2010 FIRST HALF PAYMENT COUPON

Due October 1, 2010

SOUTHERN WATER CORPORATION

Parcel Number: 937-12-500 5 Roll Number: 0042938

Delinquency Date First Half Payment
 Delinquent for late payment is 16% per year
 computed monthly as of the 1st day of the
 month for payments postmarked after
November 1, 2010 at 5:00 PM
 (ARS 42-18052 and ARS 42-18053)

If your mortgage company makes your property
 tax payments, consider this notice as a courtesy
 copy for your records only.

Caesar Ramirez
 Santa Cruz County Treasurer
 PO Box 1150
 Nogales, AZ 85628

TO PAY 1st HALF ONLY PAY ▶ 582.71

TO PAY FULL YEAR TAX PAY ▶ 1,165.42



12937125000052010000000058271

**PLEASE CHECK
 YOUR RECORDS**

**DELINQUENT
 TAXES DUE**

2010 9371250000 1 00000000582710000000116542

0507

SONOITA VALLEY WATER CO.

P.O. BOX 85160
 TUCSON, AZ 85754
 (520) 623-5172

Wells Fargo Bank, N.A.
 Tucson, AZ 85745

91-527-1221

10/6/2010

PAY TO THE ORDER OF: Caesar A. Ramirez, County Treasurer

\$ 1,165.42

One Thousand Eighty-Two and 71/100 DOLLARS

Caesar A. Ramirez
 County Treasurer
 P.O. Box 250
 Nogales, AZ 85628

REMIC

Parcel# 937-12-500 5

⑈000507⑈ ⑆122105278⑆5306074195⑈

SONOITA VALLEY WATER CO.

0507

Caesar A. Ramirez, County Treasurer

10/6/2010

Date	Type	Reference	Original Amt	Balance Due	Discount	Payment
10/6/2010	Bill	937-12-500 5 1st	582.71	582.71		582.71
				Check Amount		582.71

Wells Fargo Bank

Parcel# 937-12-500 5

16542

11:02 AM
02/11/11

Southern Water Company
Bill Payments for Caesar Ramirez
January through December 2010

Type	Num	Date	Amount
Jan - Dec 10			
Bill Pmt -Check	1246	3/2/2010	560.62
Jan - Dec 10			<u>560.62</u>

Santa Cruz County

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	2009 TAX SUMMARY
937-12-500 5	2500	10.3010	0.6791	0.0000	
ASSESSMENT					
LAND	10,100	10.3010	0.6791		
IMPROVEMENTS	10,100	10.3010	0.6791		
TOTAL ASSESSED VALUE	20,200				
TOTAL TAX DUE					

ACREAGE	LEGAL DESCRIPTION	AMOUNT	DATE
0042960		119.09	11/15/19
SITUS ADDRESS	02000 SANTA CRUZ COUNTY	0.00	11/15/19
	02001 STATE SCHOOL TAX EQU	0.00	11/15/19
	05005 SONOITA SD #10	441.74	11/15/19
LEGAL DESCRIPTION	06112 PATAGONIA UHS	229.79	11/15/19
	11204 SONOITA ELGIN FD	170.00	11/15/19
	11900 FIRE DISTRICT ASSIST	11.27	11/15/19
	15001 SANTA CRUZ COUNTY FD	67.31	11/15/19

This is the only notice you will receive.

Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Noqales, AZ 85628

THIS IS A
CALENDAR YEAR
TAX NOTICE

TOTALS	2,871.15	1,211.44
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PAYMENT INSTRUCTIONS

To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov 2, 2009. To pay 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 3, 2010. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec 31, 2009, and no interest will be charged for the current year.

Make your check payable to and mail to:
Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK

SOUTHERN WATER CO.

1246

Caesar Ramirez - Santa Cruz Co. Treasurer

3/2/2010

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
1/14/2010	Bill	937-12-500-5 2nd	560.62	560.62		560.62
				Check Amount		560.62

Wells Fargo Bank

Second half Property Tax 2009

550 62

HOLM, HESTAND & VALENZUELA, CPAS, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
3131 NORTH COUNTRY CLUB ROAD, SUITE 109
TUCSON, ARIZONA 85716

DOUGLAS R. HOLM, CPA
EMMA K. HESTAND, CPA
JANETTE G. VALENZUELA, CPA

TELEPHONE: (520) 326-8483
FAX: (520) 795-5191
E-MAIL: HHVCPA@EARTHLINK.NET

To the Board of Directors
Sonoita Valley Water Company
Tucson, AZ 85745

We have compiled the balance sheets of Sonoita Valley Water Company, as of December 31, 2010 and 2009 and the related statements of income and expense for the years then ended included in the accompanying prescribed form. We have also compiled the supplementary information presented in the prescribed form. We have not audited or reviewed the accompanying financial statements and supplementary information, and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary information are in accordance with the form prescribed by the Arizona Corporation Commission--Utilities Division.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary information in accordance with requirements prescribed by the Arizona Corporation Commission--Utilities Division and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary information.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary information.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission--Utilities Division, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Arizona Corporation Commission--Utilities Division and is not intended to be and should not be used by anyone other than this specified party.

Holm, Hestand, Valenzuela CPAs P.C.

February 11, 2011